

# **FACTORS AFFECTING THE CUSTOMER LOYALTY IN ISLAMIC BANKING IN RIAU**

A thesis submitted to the Faculty of Business Management in partial  
fulfillment of the requirement for the degree  
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By

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## **ABSTRACT (ENGLISH)**

One hundred questionnaires, which were considered as complete, acceptable and usable were received from the customers of two Islamic banks to the area of Pekanbaru, Riau, Indonesia. Questionnaire was designed to examine factors affecting the customer loyalty in Islamic banking. More over, this study was also designed to examine the customer's knowledge in Islamic banking and the factors considered in the process of selecting an Islamic bank by demographic group and socio characteristics.

The data were analyzed by using SPSS programmed. Chi-square test and One-way ANOVA was applied in order to determine the significant relationship for two hypotheses. The findings revealed that knowledge in Islamic banking and bank selection criteria are significantly related to loyalty in Islamic banking. Besides all these analysis percentage and frequency distribution were also used to analyze the respondent preference.

## **ABSTRACT (BAHASA MELAYU)**

Satu ratus soalselidik yang dianggap lengkap, boleh diterima dan boleh digunakan telah diterima daripada pelanggan-pelanggan dua buah bank di daerah Pekanbaru, Riau, Indonesia. Soalselidik dibentuk untuk mengkaji faktor-faktor yang mempengaruhi kesetiaan pelanggan terhadap perbankan Islam. Sebagai tambahan, kajian ini juga dibentuk untuk mengkaji pengetahuan pelanggan dalam perbankan Islam dan faktor-faktor dalam proses pemilihan sesebuah bank Islam berdasarkan kepada kumpulan demografi dan ciri-ciri sosio.

Data yang diperolehi dianalisa menggunakan program SPSS. Ujian Chi-Square dan One-way ANOVA digunakan untuk menentukan hubungan penting untuk dua hipotesis. Hasil yang diperolehi memberi maklumat bahawa pengetahuan dalam perbankan Islam dan criteria pemilihan bank berkaitan dengan kesetiaan terhadap perbankan Islam. Di samping itu kajian ini menggunakan taburan peratusan dan kekerapan untuk menganalisa kecenderungan responden.

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# Chapter 1

# CHAPTER 1

## INTRODUCTION

This chapter briefly introduces the main idea of this work, why the study was conducted and what is the main element involved in the study.

### 1.1 Introduction

The introduction of Islamic banking is recent in Indonesia, but their development has been rapid and they represent a considerable focus of interest for many Indonesians today. This is partly because they are seen as promoting a more equitable, Islamic.

The Islamic banking forms are typically viewed as a key part in a broader move to a more just Islamic social order, which would have unique features, not only in the working of financial markets but in other aspects of the economy as well. To quote one standard source: Islam possesses its own paradigm of economic relations within the context of an entire Islamic system based on injunctions and norms, derived from the Quran and Hadith (the actions and sayings of the Prophet), called the Shariah. The shariah specifies, *inter alia*, rules that relate to the allocation of resources, property

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